

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	February 24, 2014
	Agenda Item No.	43
	Roll Call No.	<u>14-0312</u>
	Communication No.	<u>14-079</u>
	Submitted by:	Benjamin R. Page, Park and Recreation Director

AGENDA HEADING:

Approving the Renewal Agreement for Downtown Maintenance at The Principal Riverwalk; East Locust Streetscape; Martin Luther King, Jr. Parkway; and Gateway West and exemption from the City’s procurement ordinance requirements.

SYNOPSIS:

Recommend authorization for the City Manager to execute a two-year Renewal Agreement between the City of Des Moines and the Downtown Des Moines Self-Supported Municipal Improvement District (SSMID) relating to maintenance of The Principal Riverwalk; East Locust Streetscape; Martin Luther King, Jr. Parkway; and Gateway West.

FISCAL IMPACT:

Amount: \$250,000/year cash or in-kind

Funding Source: FY13-14, Operating Budget, Park and Recreation Department, Downtown Maintenance, GE001, PKS070300, page 171

ADDITIONAL INFORMATION:

On September, 25, 2006, by Roll Call No. 06-1930, City Council approved the Management and Operations Agreement between the City of Des Moines, Riverfront Development Authority (RDA), and Des Moines Downtown SSMID for overall appearance, cleanliness, beautification and management of downtown’s Gateway West; The Principal Riverwalk; Martin Luther King, Jr. Parkway; and East Village Streetscape through the management firm of Operation Downtown, Inc. (ODI).

On April 29, 2009, by Roll Call No. 09-0694, City Council agreed to renew the agreement, set to expire July 1, 2014, under the same terms and conditions. The agreement provides for required maintenance for these areas in a manner that is consistent with the standards of appearance, safety and functionality agreed to by an established committee of advisors known as the Downtown Maintenance Committee (DMC), consisting of representatives of the City and RDA, which meets with ODI staff to provide oversight. The agreement specifically excludes management of programs and schedules, which are the responsibility of the Park and Recreation Department.

In the agreement, the City is obligated to contribute \$250,000 in cash or in-kind service annually; this has been in the form of labor, plant material and miscellaneous expenses in areas included in the SSMID. In Fiscal Year (FY) 2014, it is anticipated that approximately \$106,000 of this obligation will be met in the form of in-kind work such as that which is detailed in the attached Downtown Maintenance Responsibility matrix as well as through the assumption of the liability for The Principal Riverwalk. It is anticipated that a similar amount of in-kind service will offset the City's FY 2015 and 2016 financial obligation.

In addition to funding from the City of Des Moines, the Agreement requires the RDA to provide \$250,000 in cash annually through FY 2016. The SSMID is to contribute any remaining funds necessary to cover budgeted expenses up to an annual amount of \$600,000.

The Agreement provides for the SSMID, through ODI, to act as the contracting authority for private contractors and to select the most qualified and economical vendors to do the required maintenance work. The City and RDA representatives in the DMC have the ability to voice their preference in this regard.

This Agreement renewal has no substantive changes from the original Agreement and has been approved by the RDA and SSMID boards. If approved by Council, the two-year renewal will commence on July 1, 2014 and expire on June 30, 2016. When this Renewal Agreement expires on June 30, 2016, the RDA annual financial obligation of \$250,000 ends and will likely not be renewed. Additionally, ODI projects that their net assets at the end of FY 2016 will be \$15,500 in the red. A team of representatives from the City and ODI are beginning to meet to address these funding issues. Possible solutions could include proposing to raise the SSMID rate, proposing to raise the City's financial commitment, reductions in services currently being provided, or a combination of these solutions.

The City will continue to have ongoing responsibility for capital repair and replacement of park and streetscape infrastructure apart from the \$250,000 maintenance funding.

PREVIOUS COUNCIL ACTION(S):

Date: April 20, 2009

Roll Call Number: [09-0694](#)

Action: [Renewal](#) Agreement for maintenance of Gateway West Park; The Principal Riverwalk; Martin Luther King, Jr. Parkway; and East Locust Streetscape. ([Council Communication No. 09-229](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: September 25, 2006

Roll Call Number: [06-1930](#)

Action: [Management](#) and Operations Agreement between the City of Des Moines, Des Moines Riverfront Development Authority (RDA) and Des Moines Downtown Self Supported Municipal Improvement District (SSMID) for Gateway West Park; The Principal Riverwalk; Martin Luther King,

Jr. Parkway; and East Village Streetscape and exemption from the procurement ordinance requirements. ([Council Communication No. 06-605](#)) Moved by Coleman to adopt. Motion Carried 6-0.

Date: March 24, 2003

Roll Call Number: 03-684

Action: Phase I Concept Plan for The Principal Riverwalk and authorizing staff to continue work on design and funding. (Council Communication No. 03-132). Moved by Vlassis to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Park and Recreation Board

Date: September 13, 2006

Resolution Number: 06-091

Action: Park and Recreation Board approval of the downtown operations and maintenance agreement.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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